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THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

A. J. FREIMAN, LIMITED

An operating Company incorporated under the laws of the Dominion of Canada by Letters Patent, dated the 1st day of October, 1921. Supplementary Letters Patent are dated the 11th day of April, 1928, the 24th day of April, 1928, and the 15th day of April, 1946.

9000 4½% CUMULATIVE REDEEMABLE SINKING FUND PREFERRED SHARES
OF PAR VALUE OF \$100 EACH

(Certificates transferable in Toronto, Montreal and Ottawa)

CAPITAL SECURITIES AS AT JUNE 21, 1946

STOCK	Number of Shares Authorized	Number of Shares Outstanding	Number of Shares to be Listed
4½% Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100.00 each.....	9000	9000	9000
6% Cumulative Sinking Fund Convertible Preferred Shares of the par value of \$100.00.....	8771	8771—to be redeemed July 1, 1946	Nil
Common shares of no par value.....	130,000	85,000	Nil
FUNDED DEBT			

The Company has no funded debt other than a mortgage of \$260,000.00 on the building at Rideau, Mosgrove and George Streets, Ottawa, which is being retired at the rate of \$20,000.00 a year.

Ottawa, Ontario, June 21, 1946.

1. A. J. FREIMAN, LIMITED (hereinafter referred to as the "Company") hereby makes application for listing on the Toronto Stock Exchange Nine Thousand (9000) 4½% Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100.00 each, all of which shares have been allotted and are to be issued on July 2, 1946.

2. HISTORY AND NATURE OF BUSINESS

The Company was incorporated on October 1, 1921, and acquired by purchase a departmental store business which had been established in Ottawa, Ontario, in 1900, by the late Mr. A. J. Freiman. In 1928 the Company absorbed the furniture and house furnishings business of Harris, Barry & Luke Limited of Ottawa and acquired the Delahey department store at Pembroke, Ontario. The latter is now operated as a branch unit.

The store offers the wide variety of merchandise usually associated with this type of retail establishment, and is the largest department store in Ottawa. Over a period of years, improvements have been made in merchandising methods and modern equipment and fixtures have been added as needed. The volume of sales has substantially increased during the past three years, and further expansion in merchandising operations is expected.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

By contract dated March 27, 1946, between the Company and McLeod, Young, Weir and Company Ltd., provision was made for the underwriting of the securities for the listing of which this application is being made. The proceeds of this issue will be applied towards the redemption on July 1, 1946, of all the Company's outstanding 6% Preferred Shares.

3. ORGANIZATION, CAPITAL AND CHARTER CHANGES

The Company was incorporated under the Companies Act of the Dominion of Canada by Letters Patent dated October 1, 1921, with an authorized capital of \$1,500,000.00 divided into 15,000 shares of a par value of \$100.00 each, of which 10,807 shares were issued.

By Supplementary Letters Patent dated April 11, 1928, the capital was decreased to \$1,080,700.00 by cancellation of 4193 shares. Of the 10,807 shares remaining, 5000 were converted into 5000 6% Cumulative Sinking Fund Convertible Preferred Shares of par value of \$100.00 each, 1050 were converted into second preferred shares of \$100.00 each, and the remaining 4757 were converted into 85,000 Common shares of no par value. By the same Supplementary Letters Patent the authorized capital was increased to 20,000 6% Cumulative Sinking Fund Convertible Preferred Shares of par value of \$100.00 each, 1050 6% second Preferred Shares of par value of \$100.00 each and 130,000 Common Shares of no par value. There were issued 10,000 6% Cumulative Sinking Fund Convertible Preferred Shares, 1050 6% second preferred shares and 85,000 Common shares of no par value.

By Supplementary Letters Patent dated April 24, 1928, the capital was reduced by the redemption of the 1050 second preferred shares of par value of \$100.00 each.

By Supplementary Letters Patent dated April 15, 1946, the authorized capital was decreased by cancellation of the 10,000 unissued 6% Cumulative Sinking Fund Convertible Preferred Shares of par value of \$100.00 each and cancellation of 1229 of the said shares which had previously been redeemed by the Company. By the same Supplementary Letters Patent, the capital was increased by the creation of 9,000 new 4½% Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100.00 each, all of which will be issued on July 2, 1946.

Upon issue of the said 9,000 4½% Preferred Shares on July 2, 1946, Supplementary Letters Patent will be applied for reducing the authorized capital by \$877,100.00 by cancellation of the 8771 6% Preferred Shares which have been called for redemption and which will be redeemed on July 1, 1946. The capital stock of the Company will thereupon be as follows:

Shares authorized:

9,000 4½% Cumulative Redeemable Sinking Fund Preferred Shares of a par value of \$100.00 each.

130,000 Common Shares of no par value.

Shares issued:

9,000 4½% Cumulative Redeemable Sinking Fund Preferred Shares of a par value of \$100.00 each.

85,000 Common Shares of no par value.

4. NO PERSONAL LIABILITY

All the capital stock of the Company outstanding is fully paid and non-assessable and no personal liability attaches to the ownership thereof.

5. SHARE ISSUES

The 9,000 shares to be listed will all be issued on July 2, 1946, for cash at \$100.00 each, subject to the payment of an underwriting commission of \$4.00 per share; total consideration is therefore \$900,000.00 less commission of \$36,000.00.

6. SHARE PROVISIONS AND VOTING POWERS

4½% Preferred Shares. Entitled to fixed cumulative preferential cash dividends as and when declared by the board of directors at the rate of 4½% per annum payable quarterly (February, May, August and November 1), and not entitled to any dividends other than or in excess of such cash dividend; not convertible; entitled on winding-up to the par value thereof (and if winding-up is voluntary an additional 5% of such par value) plus unpaid and accrued dividends and no more; entitled to five votes per share; redeemable at the option of the Company in whole at any time or (subject to payment or provision for all accrued dividends up to the expiration of the last quarterly dividend period) in part from time to time by lot or pro rata disregarding fractions at \$105 per share together with all unpaid and accrued dividends thereon, on 30 days' prior notice, or the Company may purchase Preferred Shares for cancellation in the market or by invitation for tenders addressed to all the holders of record of Preferred Shares outstanding at prices not exceeding \$105 per share and unpaid and accrued dividends thereon and costs of purchase. So long as any of the Preferred Shares remain outstanding and the Company is not in arrears in payment of any quarterly dividends thereon, the Company on or before May 1 in each year beginning with the year 1947 is to set aside as a sinking fund to be used for the redemption or retirement of Preferred Shares a sum equal to 10% of the net earnings of the Company (as to be defined) for the preceding fiscal year. The Company may anticipate any sinking fund obligation by purchasing or redeeming preferred shares and charging the cost thereof in reduction of such obligation.

Common Shares of No Par Value. Subject to the prior rights of the holders of the Preferred Shares to cumulative dividends and to priority in distribution the holders of the Common Shares are entitled to receive all dividends declared and to receive any surplus assets in liquidation or distribution of capital assets; holders thereof are entitled to one vote for each share.

7. DIVIDENDS

The 6% Preferred Shares to be redeemed on July 1, 1946, are the only ones on which dividends have been paid. Such dividends were paid at the rate of 6% per annum from July 1, 1928, until October 1, 1936. No dividends were paid from October 1, 1936, until July 1, 1941, on which date payment at the rate of 6% per annum was resumed and will have been made up to and including July 1, 1946, the date of redemption. Payment of arrears which had accrued as of July 1, 1941, was resumed on January 1, 1944, and continued up to April 1, 1946, at the rate of 6% per annum. The redemption price payable on July 1, 1946, will include payment of all arrears on these shares.

PROPERTIES

The Company occupies a five storey building in the centre of the Ottawa shopping district, fronting on Rideau Street and bounded by Rideau, Mosgrove and George Streets. This property is owned outright with the exception of a parcel with a frontage of about 62 feet on Rideau Street and a depth of about 111 feet which it occupies under a long term lease. The Company also owns a warehouse in Ottawa and the store building at Pembroke, Ontario.

SUBSIDIARIES

FREIMAN DRUGS LIMITED. Incorporated by Letters Patent dated February 22, 1937, under Dominion Companies Act with authorized capital of 50,000 shares of par value of \$1.00 each of which 15,481 have been issued, 15,478 being owned by the Company. This Company deals in drugs, chemicals, medical supplies, toilet goods, etc., and operates on the Company's premises.

SERVICE DELIVERY LIMITED. Incorporated by Letters Patent dated September 4, 1945, under the Ontario Companies Act with an authorized capital of 1,600 shares of par value of \$25.00 each of which 3 shares have been issued and are held by nominees of the Company. This Company owns motor vehicles and operates a garage, etc., and performs transportation and delivery service for the Company.

FUNDED INDEBTEDNESS

The Company has no funded indebtedness other than a mortgage of \$260,000.00 on the premises at Rideau, Mosgrove and George Streets, which bears interest at 5% per annum and is being retired at the rate of \$20,000.00 a year.

OPTIONS AND UNDERWRITINGS

The Company has no outstanding underwriting option, sale agreement, conversion privilege, purchase warrants or other contracts or agreements of like nature with respect to any unissued shares, bonds or other securities or any issued shares, bonds or other securities held for the benefit of the Company.

LISTINGS ON OTHER STOCK EXCHANGES

The Company's no par value Common Shares have been listed on the Montreal Curb since 1928. The 6% Preferred Shares (to be redeemed July 1, 1946) have been listed on the Montreal Curb since 1928. Application is being made for listing the new 4½% Preferred Shares on the Montreal Curb.

SECURITY COMMISSION REGISTRATION

Pursuant to the provisions of the Securities Act, 1945 (Ont.), the Registrar of the Ontario Securities Commission, issued under date of April 13, 1946, his receipt for documents as provided for by section 49 of the said Act.

FISCAL YEAR

The fiscal year of the Company ends December 31.

ANNUAL MEETING

The annual meeting of the Company is held at the head office of the Company or elsewhere in Canada on such day in each year as the board of directors may by resolution determine.

HEAD OFFICE

The head office of the Company is at 73 Rideau Street, Ottawa, Ontario.

TRANSFER AGENT

The Royal Trust Company at its Toronto, Montreal and Ottawa offices is the transfer agent of the Company.

TRANSFER FEES

No fee is charged on stock transfers other than the customary government stock transfer tax.

REGISTRAR

The Royal Trust Company at its Toronto, Montreal and Ottawa offices is the registrar of the Company.

AUDITOR

Messrs. Price, Waterhouse and Company, Chartered Accountants, 215 St. James Street West, Montreal.

OFFICERS

<i>Position Held</i>	<i>Name</i>	<i>Address</i>
President.....	Mr. Lawrence Freiman.....	140 Howick Street, Ottawa
Vice-President.....	Mrs. B. M. Alexandor.....	68 Park Road, Rockliffe, Ottawa
Secretary-Treasurer.....	Mr. Benjamin Luxenberg, K.C.....	15 Alexandra Wood, Toronto
General Manager.....	Mr. Lawrence Freiman.....	140 Howick Street, Ottawa

DIRECTORS

<i>Name</i>	<i>Address</i>
Mr. Lawrence Freiman.....	140 Howick Street, Ottawa
Mrs. B. M. Alexandor.....	68 Park Road, Rockliffe, Ottawa
Mrs. B. Luxenberg.....	15 Alexandra Wood, Toronto
Mr. Percy Hermant.....	154 Glen Road, Toronto
Mr. B. M. Alexandor.....	68 Park Road, Rockliffe, Ottawa
Mr. Frank E. Bender.....	303 Clemow Ave., Ottawa
Mr. B. Luxenberg, K.C.....	15 Alexandra Wood, Toronto

OPINION OF COUNSEL

The opinion of Fraser, Beatty, Tucker, McIntosh and Stewart, Barristers and Solicitors, 320 Bay Street, Toronto, as to the validity of the 9,000 4½% Cumulative Redeemable Sinking Fund Preferred shares and the fact that they are fully paid and non-assessable, is on file with The Toronto Stock Exchange.

CERTIFICATE

Pursuant to resolution duly passed by its board of directors, the applicant company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



A. J. FREIMAN, LIMITED

per LAWRENCE FREIMAN,
*President.*per B. M. ALEXANDOR,
Director.

STATEMENT SHOWING DISTRIBUTION OF 4½% PREFERRED SHARES
As of June 14th, 1946

<i>Number</i>			<i>Shares</i>
367 holders of	1 – 100 share lots.....		6,604
5 “ “	101 – 200 “ “.....		850
1 “ “	201 – 300 “ “.....		250
1 “ “	301 – 400 “ “.....		326
2 “ “	401 – 500 “ “.....		970
Nil “ “	501 – 1000 “ “.....		Nil
Nil “ “	1001 – up “ “.....		Nil
376 Stockholders	Total Shares.....		9,000

FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS

For the Three Years ending December 31st, 1943, 1944, and 1945

	1943	1944	1945
Profit from operations after deduction of selling, administrative and general expenses but before taking into account the undermentioned items.....	\$401,815.38	\$432,225.12	\$497,742.73
Income from Investments.....	6,369.08	8,386.70	9,695.44
Other Income, Rents, etc.	121,311.94	142,978.96	141,220.12
Reduction in Reserve for future decline in Inventory values....	529,496.40	4,939.23	\$588,530.01
<i>Deduct:</i>			
Salaries of Executive Officers and Directors.....	\$ 38,000.00	\$ 34,563.44	\$35,666.66
Legal Fees.....	3,100.00	2,793.00	3,511.00
Provision for Depreciation.....	64,034.46	42,567.38	51,718.90
Amortization of Leasehold Improvements.....	2,777.76	2,777.76	2,777.76
Increase in Reserve for future decline in Inventory values....	65,500.00		39,009.58
	173,412.22	82,701.58	132,683.90
	\$356,084.18	\$505,828.43	\$515,974.39
Provision for Income and Excess Profits Taxes including refundable portion of Excess Profits Tax*.....	250,000.00	381,000.00	398,865.06
NET PROFIT FOR THE YEAR	\$106,084.18	\$124,828.43	\$117,109.33
* Refundable Portions of Excess Profits Tax included in the above provisions are.....	\$ 30,000.00	\$ 60,000.00	\$ 58,000.00

CERTIFICATE

The above schedule was prepared by us from the yearly Profit and Loss Statements submitted by Messrs. Price, Waterhouse & Co. We certify that it is in accordance with the annual financial statements and Auditor's Reports submitted by them to the shareholders, for the respective years.

B. A. ARMSTRONG & CO.,
Chartered Accountants.

BALANCE SHEET, DECEMBER 31, 1945

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 118,479.02	
Dominion of Canada Victory Bonds, at cost.....	567,150.00	
Accounts receivable, less reserves for bad and doubtful accounts and unearned charges.....	636,380.96	
Employees' Victory Loan balances.....	95,579.00	
Merchandise on hand valued at approximate cost in accordance with the Company's usual practice, as determined and certified by responsible officials of the Company.....	1,078,454.18	
		\$2,496,043.16

OTHER ASSETS:

Deferred charges to future operations.....	\$ 50,747.35	
Mortgage receivable.....	1,600.00	
Leasehold improvements, less amounts written off.....	11,111.20	
		63,458.55
REFUNDABLE PORTION OF EXCESS PROFITS TAX.....		153,600.00

FIXED ASSETS:

Land.....	\$ 553,000.00	
Buildings.....	661,350.00	
		\$1,214,350.00
As appraised by Messrs. J. A. Ewart and A. H. Fitzsimmons, March 3, 1928.		
Net subsequent additions to buildings, at cost.....	\$ 416,549.90	
Furniture and fixtures, at cost.....	407,010.64	
Delivery equipment, at cost.....	20,968.85	
	844,529.39	
		2,058,879.39
		<u>\$4,771,981.10</u>

LIABILITIES

CURRENT LIABILITIES:

Bank Loan and Overdraft.....	\$ 226,911.95	
Bank Loan re Employees' Victory Bonds.....	84,680.00	
Accounts payable and Accrued Liabilities.....	481,260.87	
Income and Excess Profits Taxes.....	250,887.92	
Dividend on Preferred Stock, payable January 1, 1946.....	26,313.00	
		\$1,070,053.74

5% MORTGAGE PAYABLE:

Loan secured by first mortgage maturing June 1, 1949, payable in U.S. Funds.....	270,000.00
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RESERVE FOR FUTURE DECLINE IN INVENTORY VALUES.....	186,870.35
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RESERVE FOR DEPRECIATION OF BUILDINGS AND EQUIPMENT.....	624,525.68
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CAPITAL STOCK AND SURPLUS:

Six per cent cumulative redeemable preferred shares—	
Authorized.....	<u>\$2,000,000.00</u>
Issued—10,000 shares of \$100.00 each fully paid.....	\$1,000,000.00
Less — 1,229 shares of \$100.00 each redeemed.....	<u>122,900.00</u>
8,771 shares	\$ 877,100.00

Note: Dividends in arrears on preferred shares at January 1, 1946, amounted to \$118,408.50.

Common Stock—no par value—

Authorized—130,000 shares	
Issued — 85,000 shares at a paid-in value of.....	475,700.00
Capital Surplus—Arising out of redemption of preferred stock.....	122,900.00
Deferred Surplus—Refundable Portion of Excess Profits Tax.....	153,600.00
Earned Surplus.....	<u>991,231.33</u>
	2,620,531.33

\$4,771,981.10

To the Directors of A. J. FREIMAN, LIMITED

We have examined the balance sheet of A. J. Freiman, Limited at December 31, 1945, and in connection therewith examined or tested accounting records of the Company and other supporting evidence and obtained all the information and explanations which we required; and we report that, in our opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of A. J. Freiman, Limited as at December 31, 1945, according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) PRICE, WATERHOUSE & Co.,
Auditors.

MONTREAL, April 8, 1946.

PRO FORMA BALANCE SHEET AS AT DECEMBER 31, 1945
AFTER GIVING EFFECT AS OF THAT DATE TO

1. The proposed issue and sale of 9,000 4½% cumulative preferred shares of \$100.00 each.
2. The redemption at 105 and all dividends accrued to January 1, 1946 (\$16.50 per share), of the 8,771 6% cumulative redeemable preferred shares.
3. The charge to surplus account of accrued dividends to January 1, 1946, the redemption premium, estimated commission and other expenses arising out of this financing.

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 96,803.02	
Dominion of Canada Victory Bonds, at cost.....	367,150.00	
Accounts receivable, less reserves for bad and doubtful accounts and un- earned charges.....	636,380.96	
Employees' Victory Loan balances.....	95,579.00	
Merchandise on hand valued at approximate cost in accordance with the Company's usual practice, as determined and certified by responsible officials of the Company.....	1,078,454.18	
		<u>\$2,274,367.16</u>

OTHER ASSETS:

Deferred charges to future operations.....	\$ 50,747.35	
Mortgage receivable.....	1,600.00	
Leasehold improvements, less amounts written off.....	11,111.20	
		<u>63,458.55</u>
ESTIMATED REFUNDABLE PORTION OF EXCESS PROFITS TAX.....		<u>153,600.00</u>

FIXED ASSETS:

Land.....	\$ 553,000.00	
Buildings.....	661,350.00	
As appraised by Messrs. J. A. Ewart and A. H. Fitz- simmons March 3, 1928.....		<u>\$1,214,350.00</u>
Net subsequent additions to buildings, at cost.....	\$ 416,549.90	
Furniture and fixtures, at cost.....	407,010.64	
Delivery equipment, at cost.....	20,968.85	
		<u>844,529.39</u>
		<u>2,058,879.39</u>
		<u><u>\$4,550,305.10</u></u>

LIABILITIES

CURRENT LIABILITIES:

Bank loan and overdraft.....	\$ 226,911.95	
Bank loan re employees' Victory Bonds.....	84,680.00	
Accounts payable and accrued liabilities.....	481,260.87	
Income and excess profits taxes.....	250,887.92	
		<u>\$1,043,740.74</u>

5% MORTGAGE PAYABLE:

Loan secured by first mortgage maturing June 1, 1949, payable in U.S. Funds.....	270,000.00
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RESERVE FOR FUTURE DECLINE IN INVENTORY VALUES.....	186,870.35
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RESERVE FOR DEPRECIATION OF BUILDINGS AND EQUIPMENT.....	624,525.68
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CAPITAL STOCK AND SURPLUS:


4½% cumulative preferred shares redeemable at \$105 Authorized and issued— 9,000 shares of \$100.00 each.....	\$ 900,000.00	
Common stock—no par value— Authorized—130,000 shares Issued — 85,000 shares at a paid-in value of.....	475,700.00	
Deferred surplus—Estimated refundable portion of excess profits tax.....	153,600.00	
Earned surplus.....	895,868.33	
		<u>2,425,168.33</u>
		<u><u>\$4,550,305.10</u></u>

To the Directors of A. J. FREIMAN, LIMITED

We have prepared the above pro forma balance sheet of A. J. Freiman, Limited which is based on the balance sheet as of December 31, 1945, and is after giving effect as of that date to the transactions referred to in the above headings.

Montreal, April 8, 1946.

(Signed) PRICE, WATERHOUSE & Co.,
Auditors.



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